

Statement from Marisa Lago, Chair of the NYC Planning Commission and Director of the Department of City Planning, before the Land Use Committee of the City Council, on the Mayor's Fiscal Year 2021 Preliminary Budget

March 3, 2020

DCP Financial Summary						
<i>Dollars in Thousands</i>	2018 Actual	2019 Actual	2020 Adopted	Preliminary Plan		*Difference
				2020	2021	2020 - 2021
Spending						
Personal Services	\$ 25,550	\$ 28,150	\$ 31,137	\$ 30,906	\$ 31,261	\$ 124
Other Than Personal Services	\$ 10,556	\$ 11,923	\$ 20,182	\$ 21,348	\$ 13,779	\$ (6,403)
Total	\$ 36,106	\$ 40,073	\$ 51,318	\$ 52,254	\$ 45,040	\$ (6,278)
Funding						
City Funds	\$ 22,048	\$ 24,096	\$ 27,470	\$ 26,839	\$ 25,800	\$ (1,670)
Federal - Community Development	\$ 12,872	\$ 14,513	\$ 22,505	\$ 24,003	\$ 17,897	\$ (4,608)
Federal - Other	\$ 1,147	\$ 1,273	\$ 1,343	\$ 1,343	\$ 1,343	\$ -
Intra City	\$ 6	\$ 4	\$ -	\$ -	\$ -	\$ -
State	\$ 32	\$ 187	\$ -	\$ 69	\$ -	\$ -
Total	\$ 36,106	\$ 40,073	\$ 51,318	\$ 52,254	\$ 45,040	\$ (6,278)
Headcount						
Full-Time Positions - Civilian	296	309	359	359	362	3
Total	296	309	359	359	362	3

**The difference of Fiscal 2020 Adopted compared to Fiscal 2021 Preliminary Budget.*

Good afternoon Chair Salamanca Jr., Subcommittee Chairs Moya and Adams and distinguished members of the Land Use Committee. Thank you for the opportunity to discuss the Department of City Planning's (DCP's) Preliminary FY 2021 budget.

Before turning to the budget, I would like to touch upon some of our joint accomplishments of the past year and challenges that we face in the year ahead. Chief among them are:

- The 2020 Census;
- The creation of housing, and especially affordable housing;
- DCP's neighborhood planning work;
- Climate resiliency;
- DCP's data-based planning work and free, publicly available transparency tools; and
- Community Board trainings.

2020 Census:

The Administration and the City Council share a commitment to achieving a full, accurate 2020 Census, knowing that it is critical to New York City – to our representation in Congress, to the New York City budget and to the needs of our many and diverse communities.

At perhaps no other time in memory has it been so important for government to have the services and leadership of dedicated experts in their field. DCP is home to New York City's team of professional demographers. They serve as the analytical backbone for every decennial census count – directly advising and assisting the U.S. Census Bureau, City Hall and all of our partners as we seek to ensure a full and fair count.

For the first time, the Census Bureau will be collecting much of the data online, which will enhance our ability to track self-response across the city's neighborhoods, almost in real-time. Using their deep neighborhood knowledge, DCP's demographers will be analyzing these self-response rates and identifying patterns throughout the city's neighborhoods. They will be sharing their perspective with the New York City Census Office and the NYC Public Engagement Unit, which will enable them to reach out to, and further mobilize, "trusted voices" in communities that are not responding.

Even with this new daily response rate information, we continue to rely on our elected officials – including each of you – to report any issues with the Census that you are hearing or seeing on the ground. We appreciate our partnership on this critical issue.

Affordable housing:

Because having stable, quality housing provides a path to equity and access to opportunity, creating and preserving affordable housing is a top de Blasio Administration priority. To understand where we focus our efforts, it is useful to look first at where housing gets built in New York City.

The vast majority of our new housing – at least 80% – is built as-of-right, under zoning as it exists today. And new housing is disproportionately built in the city's most affluent neighborhoods – 30% of new units since 2015 have been in the 20% of neighborhoods with the highest median incomes. These neighborhoods are also getting a proportionately large share of new affordable housing – 20% of new affordable units have been built in the most affluent 20% of neighborhoods.

Rezoning actions are important to sustaining the city's capacity for as-of-right housing creation. The City Council is an important partner in this endeavor. Since 2016, the Council has approved important upzonings through more than 100 individual land use applications across the city. These applications create capacity for the construction of tens of thousands of new mixed-income homes.

Zoning actions mobilize the marketplace to promote affordability and make the City's housing subsidy programs more effective.

Even more effective than individual applications are the homes that will be created through the six comprehensive neighborhood plans that the City Council has adopted since 2016. The communities around these rezoned areas are home to 1.2 million New Yorkers – that is twice as many people as live in Boston, Massachusetts.

This is real progress that we must sustain if we are going to make a dent in New York City's affordable housing crisis. Our housing crunch is the result of many years of not keeping up with the city's population growth, and it cannot be solved overnight.

The population growth that New York City has been able to support over the past four decades has contributed to our amazing diversity. Since 1980, the city's population has grown by over 400,000, and the share of residents that are of Hispanic origin, as defined by the U.S. Census Bureau, or non-white has increased from 48% to over 68%.

It was Mayor Dinkins who said: "I see New York as a gorgeous mosaic of race and religious faith, of national origin and sexual orientation." We must make sure that this "gorgeous mosaic" remains true for generations of New Yorkers to come, regardless of where they lived before calling New York City their home.

But the population growth that makes this mosaic possible has also placed strains on our neighborhoods' housing markets. We share the important concerns expressed by housing advocates, residents and many of you on this Committee about fears of gentrification and displacement in our communities. We will continue to work closely with our shared constituencies to make sure that growth benefits our residents, and that New York City's extensive tenant protection resources are made available to New Yorkers.

Neighborhood planning:

Neighborhood planning is some of the most important work done by DCP.

This work is centered on community engagement and relies on the extensive use of data, which inform conversations that we have with residents, business owners, elected officials and neighborhood groups. This helps get us to informed policy debates and then decisions. Whether in a neighborhood rezoning adopted by the City Council or in a land use framework, DCP memorializes these discussions, which guide future neighborhood improvements and potential zoning actions.

There are many and diverse neighborhood planning efforts underway. One example is our ongoing and in-depth studies of the areas around four new Metro-North stations in the Bronx – Hunts Point, Parkchester/Van Nest, Morris Park and Co-Op City. These neighborhoods are home to half a million New Yorkers, and one third of all Bronx residents. Borough President Ruben Diaz

Jr. has been working closely with us on critical community engagement work, which will result in a planning report later this year.

Climate Resiliency:

2020 will be a banner year for our waterfront and climate resiliency efforts, culminating in the December 2020 release of our Comprehensive Waterfront Plan. Together with the Waterfront Management Advisory Board, DCP is undertaking extensive public engagement to ensure that New Yorkers' voices are at the heart of the Plan. The Board benefits from the inclusion of a City Council member, as well as members appointed by the Council.

With a grant from the NYC Department of Cultural Affairs, DCP and two not-for-profit arts groups, Culture Push and Works on Water, are organizing a monthlong event in May in which artists, regular New Yorkers and city planners will walk the city's entire waterfront. We hope that you will join us for the portion of the walk in your Council District.

DCP began working on the 2020 update to the Comprehensive Waterfront Plan in 2018. Alongside the Waterfront Management Advisory Board, we have organized 28 events – including a family-friendly waterfront day of activities on Governor's Island last summer – and have received direct input from over 1,000 New Yorkers so far.

Among those from whom we are gathering input are public school students. Last week, along with Council Member Barron, I joined a 5th grade class at P.S. 306 in East New York, where we heard about their ideas for the future of their waterfront. These students presented a poster collage of their ideal waterfront.

Another critical part of DCP's ongoing climate resiliency initiatives is Zoning for Coastal Flood Resiliency, a citywide text amendment that we expect to enter public review in the coming months.

Building on years of engagement with coastal communities, these new rules will allow property owners in the flood plain to more easily retrofit their homes. For example, a family on Staten Island, the Rockaways or Howard Beach may want to raise and floodproof their home to protect against future sea level rise or the next Hurricane Sandy. But, if they do, they lose their basement, which may have been used for storage or as a recreation room. Today, they would not be able to replace the lost space because of longstanding zoning rules that did not account for flood risk.

If adopted, these clear as-of-right rules will help homeowners throughout the city take strides toward a safer, more resilient future.

Needless to say, this work is central to the future climate resiliency of scores of communities that dot our shoreline.

Data-based research:

Data, including the Census data that I mentioned earlier, is essential to DCP's planning work. In addition to using data ourselves, DCP works to provide research and reports that help the public and decision makers formulate fact-based policies.

Last September, DCP produced a report titled "Assessing Storefront Vacancy in NYC: 24 Neighborhood Case Studies." DCP undertook this report in response to concerns expressed by communities and elected officials about a proliferation of vacant storefronts, especially in high-profile areas of Manhattan.

While there was much debate about the cause of these vacancies, there was little hard data available to evaluate changes in New York City's retail landscape. DCP's report changed that by establishing some facts: that high rents are causing vacancies in some neighborhoods, but that other factors are also at play, including the strength of the local customer base, transit access, building types and land use regulations. The report also found that, generally, areas farther from Manhattan appear to benefit from solid customer bases and little market volatility.

During last year's budget testimony, I spoke to you about the numerous free digital tools produced by DCP over the past few years – and today I have an update.

DCP recently released an updated version of our free, online interactive Zoning Resolution, which makes this key document exponentially more user-friendly, searchable and accessible to the public. The enhancements mean that the about 10,000 amendments that have been made to the Resolution since 1961 are now digitally available and searchable. This digital tool is environmentally wise, since we are no longer printing the 1,500-plus page document. The online Zoning Resolution also means that the public no longer need to pay \$750 for a hard copy. Instead, it is free and available at your home, school, office or public library.

In August, DCP introduced an improved digital platform for community boards that allows them to formally submit their annual needs and budget requests to the City. The tool, "Community District Priorities," offers easier access to relevant City data to help community boards make a stronger case for their requests. Just this past November, we published the first-ever digital version of New York City's biennial Ten-Year Capital Strategy.

These online tools help New Yorkers — whether they be residents, Community Board members, elected officials, business owners or advocacy groups — understand, access and get involved in shaping the future of our city.

Community Board Trainings:

Last year, I also mentioned the series of important and ongoing training sessions that DCP launched to better engage with both new and more experienced Community Board members. These trainings, which were augmented at the request of this Committee in 2017, focus on

strengthening community boards through consistent and ongoing training on fundamental planning principles.

These trainings are two-fold in nature. Basic training is provided by DCP's borough offices, with a focus on core planning topics, such as land use, zoning and environmental review, and the role of community boards in planning. DCP also provides more advanced training via interactive forums held at our headquarters. They bring together Community Board leaders from across the city to discuss current planning topics and provide hands-on training on DCP's newest digital tools.

Highlights from our fall 2019 trainings featured DCP's Storefront Vacancy Study, Geography of Jobs report about the metropolitan region, Zoning for Coastal Flood Resiliency and our Zoning Application Portal.

This fiscal year, DCP has already trained more than 200 Community Board members, and their feedback has been overwhelmingly favorable.

Financial Overview

DCP began Fiscal Year 2020 with an Adopted Budget of \$51.3M and an authorized headcount of 359 full-time staff lines, of which \$27.5M and 158 positions are funded with City Tax-Levy dollars. DCP's remaining \$23.8M budget allocation and 201 positions are funded by grant awards – chiefly Community Development Block Grant (CDBG) funding – from the federal government. The \$51.3M Fiscal Year 2020 Adopted Budget allocated \$31.1M – more than half of DCP's operating budget – to agency-wide Personal Services (including part-timers and members of the City Planning Commission) and \$20.2M to Other-Than-Personal Services (OTPS). DCP deploys its budget to meet the priorities of the Administration, the strategic objectives of the Department, and above all, the needs of our communities in pursuit of its mission to plan for the future of our vibrant, diverse and growing City.

In comparison to the FY20 Adopted Budget, DCP's FY21 Preliminary Budget of \$45M and 362 full-time staff lines, represents a net \$6.3M reduction and 3-position increase to our overall operating budget. This \$6.3M decrease is the combination of a \$124K increase in Personal Service funding and a \$6.4M net decrease in OTPS funding. The \$6.3M net decrease between DCP's FY2020 Adopted Budget and FY21 Preliminary Budget is largely driven by the expiration of several one-time, temporary allocations, and are offset somewhat by supplemental funding for collective bargaining increases, new grant funding, and budget adjustments related to agency savings initiatives.

The \$124K and 3 position Personal Service increase to DCP's budget consists of an addition of \$595K and 5 positions which are counteracted by a \$471K and 2 position reduction.

Additions to DCP's Personal Service budget include:

- \$328K and 5 headcount replenishment of previously-claimed Personal Services savings that are restored in Fiscal Year 2021.
- \$267K in contractual increases negotiated through collective bargaining.

These \$595K of additions are offset by:

- \$185K reduction in Personal Services funding for DCP's CDBG Disaster Recovery resiliency grant. Grant spending projections are typically reviewed with OMB annually and adjustments are made to DCP's budget over the course of the grant period to align with updated spending projections.

Last year, DCP's CDBG Disaster Recovery grant was extended by the U.S. Department of Housing and Urban Development from January 2019 through June 2021. With the grant expiring in June of 2021 and no options to further extend the grant period, DCP's FY21 Preliminary Budget reflects a wind-down in grant resources. DCP is working closely with OMB to replace expiring funds and headcount so as to retain existing, invaluable resiliency staff who are currently supported entirely by temporary CDBG Disaster Recovery grant funding.

- \$150K in anticipated Fiscal Year 21 Personal Services savings resulting from hiring delays and natural attrition.
- Loss of \$135K and 2-temporary positions granted in Fiscal Year 2018 to implement the requirements of Local Law: Intro. 1533, which required DCP to identify land use actions within urban renewals areas and make the information easily accessible to the public.

The \$6.4M decrease to DCP's OTPS budget consists of \$7.1M in one-time and temporary project funds that are scheduled to expire at the end of FY20 and another \$264K in efficiency savings, which are offset by a net \$1M increase in CDBG Disaster Recovery grant funding.

This \$7.1M reduction from one-time and temporary project funds includes \$2.5M associated with the completion of DCP's internal Paperless Filing System and the elimination of \$4.4M in environmental consulting funds that were the result of a one-time transfer from prior years to FY20. Additionally, \$200K in temporary funds for various smaller agency initiatives are also set to expire at the end of FY20. These budget items include:

- \$100K to hire consultants to perform a land use study and analysis of issues related to residential development and neighborhood character in Staten Island. The study will analyze existing land use and development patterns, and identify potential planning interventions that would address community concerns. This study is underway and expected to be completed by the end of Fiscal 2020.
- \$60K in one-time funding granted for the translation of crucial public documents pursuant to new Citywide translation requirements, which expires at the end of Fiscal Year 2020. Funding for document translation and language accessibility reduces to base-line amounts in Fiscal Year 2021.
- \$30K in residual Census Outreach Office funding, which exits the budget. Funding and staffing for Census outreach and communication efforts by the Mayor's Census Outreach Office, which was initially hosted by DCP, has been transferred to the Department of Youth and Community Development.

The \$264K in OTPS efficiency savings came from DCP's environmental consulting budget, and is based on point-in-time project schedules and spending projections.

The remaining \$1M OTPS variance is attributed to the reforecasting of DCP's CDBG Disaster Recovery grant and the inclusion of additional CDBG Disaster Recovery funding from HPD to leverage DCP's environmental consulting contracts, which will be used for the environmental review of proposed zoning actions associated with the Resilient Edgemere Community Plan. DCP's CDBG Disaster Recovery budget decreases by \$700K in Fiscal Year 2021 in connection with the Zoning for Coastal Flood Resiliency Text amendment, which is expected to certify this fiscal year and complete the public review process in Fiscal Year 2021. This \$700K reduction in resiliency funding is offset by a \$1.7M increase in funding for environmental review work associated with HPD's Resilient Edgemere initiative, in which HPD will be using DCP's on-call environmental consultant contract to prepare the environmental impact statement for HPD's proposed zoning actions.

Overall, these budget changes result in a net reduction of \$6.3M and an increase of 3 positions to the DCP budget. DCP's FY21 Preliminary Plan budget stands at \$45M with an authorized full-time headcount of 362 positions, allocating \$31.2M to agency-wide Personal Services and \$13.8M to OTPS. The budgeted decline in funding in the Mayor's FY21 Preliminary Budget adequately supports DCP's robust work program and allows us to meet the needs of the people of New York.